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News Release

FOR IMMEDIATE RELEASE
Tuesday, June 24, 2008

Apple Valley man pleads guilty to failing to pay over employment taxes to the IRS

A 54-year-old Apple Valley man pleaded guilty today in federal court to failing to pay over federal employment taxes to the Internal Revenue Service.

Michael James Boike entered his plea of willful failure truthfully to account for and pay over federal employment taxes June 24 before United States District Court Judge Paul Magnuson in St. Paul. Boike was charged April 23.

According to Boike's plea agreement, he was the owner and operator of Restoration and Maintenance Service, Inc. (RMS), a janitorial and carpet cleaning service business, located in Apple Valley. He was responsible for accounting, bookkeeping and payroll for the business, and had a duty to collect, account for and pay over federal employment taxes, including federal income taxes and Federal Insurance Contribution Act taxes on the wages of individual employees of RMS.

The total amount of federal employment taxes that Boike admitted he failed to account for and pay is \$268,847.84.

Boike was also responsible for signing and filing Employer's Quarterly Federal Tax Returns, Forms 941, to account for and reflect the federal employment taxes. Boike admitted that he failed to file those forms as required by law, and that he failed to pay over federal employment taxes to the IRS.

He also admitted that he caused RMS to issue W-2 forms to its employees reflecting that federal employment taxes were withheld from the wages of RMS employees.

Boike faces a potential maximum penalty of five years in prison. Judge Magnuson will determine Boike's sentence at a future date. This case is the result of an investigation by the IRS-Criminal Investigation Division, and is being prosecuted by Assistant U.S. Attorney Nicole A. Engisch.

